

RESPONSE TO ANALYSIS FOR

R00A04 SUBCABINET FUND

FY 2005 BUDGET
2004 GENERAL ASSEMBLY SESSION

SUBCABINET FUND

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Analyst's Comment

The Department of Legislative Services (DLS) recommends that the subcabinet comment on this significant increase [out-of-state placements] and provide possible solutions.

Subcabinet's Response

One of the initial purposes of Systems Reform was to create capacity at the community level, in order to return and/or divert children from being placed in out-of-state facilities. The highest number of children in out-of-state placement occurred in FY92: a total of 809 children. The number dramatically decreased in subsequent years, with a low of 128 served in FY02.

Note: Until the current year, OCYF has had to rely on a paper-based manual data collection system, with the attendant shortcomings associated with such a system. A specific hand count of the out-of-state cases was performed for this testimony (see below), which identified several differences from information previously submitted. Beginning in FY04, data are collected through the Subcabinet for Children, Youth and Families Information System (SCYFIS), which is a fully automated, computer-based case tracking system. This powerful, accurate system will alleviate such errors in the future.

The total number of children served in out-of-state has begun to increase again, with the total served in FY03 being 182. It should be noted, however, that only a portion of this total reflects actual increases in the number of placements. The total number of children reported in the out-of-state count was affected by the passage of House Bill 1386 (2002 Session), which for the first time provided a statewide statutory definition in Article 49D of what is meant by "out-of-state placement." As a result, beginning in FY03, children placed by DJS at Glen Mills, a program in Pennsylvania for youth with conduct disorders, were included for the first time in the total out-of-state tally; these placements were **not** included in prior years' numbers. Consequently, the apparent increase in out-of-state placements is less than it appears.

FY	First Day Census	Entries	Total Served	Exits	Last Day Census	Ratio Entries/ Exits
'99	167	45	212	83	129	.54
'00	129	33	162	62	100	.53
'01	100	40	140	51	89	.78
'02	89	39	128	35	93	1.11
'03	93	89	182	45	137	1.98

Attachment 1 displays the children in out-of-state placement by jurisdiction, placing agency, and facility. This displays the substantive increase in DJS out-of-state placements.

The Subcabinet believes the upward trend in out-of-state placements is due to several factors:

- Reporting changes resulting from the use of a uniform statutory definition of out-of-state placement in 2003, noted above;
- Based on the ratio of entries to exits shown below, entries into out-of-state are outpacing children exiting and returning to Maryland. We believe children currently being placed in out-of-state facilities have more complex needs than children placed out of state in the 1990s, resulting in longer-term placements.
- DJS efforts to aggressively move children out of detention; due to the lack of community capacity to serve these children, many of them are placed in out-of-state facilities.
- There is a lack of capacity to serve children with specific needs and/or diagnoses.

It should be noted that not all out-of-state placements are inappropriate. Some out-of-state placements are actually closer to the child's family than in-state placements, thus enabling family participation in the child's rehabilitation.

Attachment 2 provides information on the children who were in out-of-state placement as of November 21, 2003. Three "categories" make up the majority of these children:

1. Children with conduct disorders, placed at Glen Mills by DJS;
2. Children with a history of sex offenses; and
3. Children who have a cognitive impairment (IQ below 70).

The Subcabinet is analyzing this information and intends to develop community capacity in Maryland to serve one or more of these categories. Children with conduct disorders are identified as a primary area to be targeted. Funding to develop this capacity would come from the current Resource Fund. In addition, the Special Secretary is working with U.S. Department of Health and Human Services Region III office and the states within this region, to explore the possibility of developing a regional plan for services for hard-to-serve populations.

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Analyst's Recommendation

DLS recommends that OCYF and the Subcabinet Partnership Team present to the committees their plan for implementation of improved Interagency Family Preservation Services eligibility criteria.

Subcabinet's Response

As reported in the recent JCR report [Report On Out of Home Placements and Family Preservation Services], there has been a "drift" toward serving families with less intensive needs in both the Interagency Family Preservation (IFP) program, administered by the Subcabinet, and the two family preservation programs administered by DHR (Families Now and Intensive Family Services). The drift in IFP is attributable to two major factors:

- Under the prior Administration, OCYF granted a number of "waivers" to individual jurisdictions, allowing them to deviate from the eligibility criteria contained in the *Local Management Board Policies and Procedures Manual*. The Special Secretary has rescinded all waivers and all jurisdictions must now comply with the LMB Manual provisions.
- The LMB Manual eligibility criteria for IFP are very unclear and subject to a high level of interpretation. The Subcabinet is in the process of clarifying the eligibility for Interagency Family Preservation Services (IFP). This includes adopting a standardized process through which eligibility would be determined. Basically, a family would be deemed eligible for IFP services if a specified score were achieved on an accepted assessment tool administered by the referring agency.

There are five agencies that can refer families to the LMB for IFP. In the first six months of FY04, the referral rate for each agency was as follows:

Referring agency	Percentage of IFP referrals statewide
Department of Social Services	45%
Department of Juvenile Services	25%
Department of Health & Core Service Agency	11%
Local School System	18%
Missing	1%

Each agency will use an assessment tool to determine whether a family meets the criterion of imminent risk. DSS will use the Maryland Family Risk Assessment, which is currently used by all local DSS offices. The assessment tool(s) to be used by the remaining agencies have not been finalized. The use of a standardized assessment will

clarify eligibility for services. The Subcabinet will conduct training on the accepted assessment tools for LMBs, local referring agencies, and vendors as part of the implementation of this standardized process.

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Analyst's Recommendation

DLS also recommends reducing general funds by the increase in Interagency Family Preservation Services funding in the allowance (\$118,554). If eligibility criteria are tightened, participation should go down.

Subcabinet's Response

LMBs select community vendors to provide Interagency Family Preservation services consistent with their local procurement process. In 14 counties the DSS is currently one of, or the sole, IFP provider. A total of \$118,554 was included in the Governor's budget for the Subcabinet Fund, to fund increases associated with DSS workers providing family preservation services under contract to LMBs. The increased cost is primarily due to increased costs associated with personnel benefits. The Subcabinet respectfully requests that this recommendation not be accepted.

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Analyst's Recommendation

DLS recommends the adoption of the following committee narrative so the General Assembly can continue to monitor out-of-home placement activities and indicate findings of abuse and neglect for families that participate in family preservation programs:

Out-of-home Placement Data: To facilitate evaluation of Maryland's family preservation programs in stemming the flow of children from their homes, OCYF is requested to submit to the committees data on the total number of out-of-home placements and entries by jurisdiction over the previous three years. OCYF should also provide information on the cost per child served, the reasons for new placements, and an evaluation of data derived from the application of the North Carolina Family Assessment Scale. Data should also be collected concerning the reports of new child abuse and neglect while an individual is receiving family preservation services or residing at home in the 12 months following case closure. Other subcabinet agencies should provide the appropriate information to OCYF by October 1, 2004.

<i>Information Requested</i>	<i>Author</i>	<i>Due Date</i>
<i>Out-of-home placement data</i>	<i>OCYF</i>	<i>December 1, 2004</i>

Subcabinet's Response

The Subcabinet concurs.

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Analyst's Statement

Two five-year CPAs that were to be implemented in fiscal 2005 in Harford County and Carroll County have been postponed, accounting for part for the decrease in total CPA funding in fiscal 2005. Special funds that were to be used for this purpose in fiscal 2004 were instead used for the Subcabinet for Children, Youth, and Families Information System (SCYFIS) and to support OCYF.

Subcabinet's Clarification

The funding for the two multi-year CPAs (Carroll and Harford) was included in the Governor's proposed FY2004 as general funds. The legislature cut these funds and directed the Subcabinet to use Subcabinet Resource Fund to support these two jurisdictions. Consequently, there was no guarantee that funding would be available beyond FY2004 to sustain these multi-year agreements. The Subcabinet felt it would not be in the best interests of the two LMBs, the children and families in those jurisdictions, or the service providers with which the LMB would contract to begin the considerable undertaking of a multi-year agreement with the possibility that it would not be sustained beyond its first year.

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Analyst's Recommendation

DLS recommends that OCYF comment on the specific uses proposed for the July 1, 2003, balance and fiscal 2003 recovered funds.

Subcabinet's Response

See Attachment 3, **Subcabinet Fund Balance**, for fiscal information.

SUBCABINET FOR CHILDREN YOUTH AND FAMILIES PLAN FOR UTILIZATION OF FUND BALANCE

Fund Balance Item 1

DEPARTMENT OF JUVENILE SERVICES PROJECT

- A. Provide staff uniforms to enhance security and provide a more professional environment and appearance for the staff. This is consistent with the Department's plan to reform Cheltenham (CYF).
- B. Joint Conference to provide the opportunity for DJS staff, along with relevant OCYF staff, to attend training with national experts on juvenile justice. This will allow staff to gather information at training sessions on current approaches to addressing issues confronting the juvenile justice system.
- C. Purchase radios for the detention facilities to enhance safety and security by allowing and enabling staff to have swift and direct communication with each other.
- D. Video Surveillance at CYF and Suicide Vents at Hickey. Video surveillance technology for CYF will enhance the safety and security of the staff and the youth. Additionally, it will provide a visual record for accountability and investigative purposes. Suicide prevention vents at the Hickey School will address a physical plant concern and reduce the potential/possibility of youth harming themselves. The current vents in the individual bedrooms will be replaced with suicide resistant vents.
- E. Training Supervision and Line Staff with OCYF. Enhance staff training for supervisors and line staff in order to improve the quality of services provided to youth in detention facilities.

- F. Secure Detention Facility Plan. With the opening of the Baltimore City Juvenile Justice Center, the Lower Eastern Shore Children's Center and the Western Maryland's Children's Center, there remains the need for determining and fulfilling the secure detention needs for Southern Maryland. This Facility Plan for Secure Detention will explore whether and how CYF Youth Facility can be best utilized to serve Southern Maryland's need for secure detention.
- G. Department Master Plan. While the Department's secure detention needs have and will be addressed through the opening of the three new facilities and the above-referenced Secure Detention Facility Plan, the Department is without an approved Master Facilities Plan. This Master Facilities Plan will build upon the above-referenced Secure Detention Facility Plan and will focus on the committed population needs of the youth in the care and custody of DJS. This Plan will provide a fact-based assessment of the degree to which existing facilities support these needs.
- H. IT Disaster Protection. In accordance with the IT Disaster Recovery Guidelines issued by the DBM, and the August 2003 Legislative audit findings, one of the DJS Office of Information Technology's primary activities is to implement a Disaster Recovery solution. As a result, there is an immediate need to replace failing hardware and to upgrade software licenses currently supporting critical services while procuring software and hardware necessary to implement the first two phases of our Disaster Recovery Plan. This funding will enable us to replace 15 servers and upgrade the related software licenses, purchase the tape backup libraries for the main data center as well as the designated fail-over Hot site, and purchase the software necessary to backup critical data.
- I. IT Disaster Protection. All costs are included in the Department's baseline budget with the following expectations. Headquarters location. Funds are required to add additional cooling to prevent equipment failure. Intrusion detection capabilities should be upgraded. Maintenance contracts on fire suppression equipment must be maintained. Additional UPS units are required to assure more complete system protection. Software is needed for remote server back-up. Once the Disaster Protection plan has been developed and additional resource needs are identified, additional funding may be required.
- J. MSDE's Design at Hickey. The design of the renovations for Gary Hall is the first priority of the planned capital program. The estimated cost for this design is approximately \$160,000. Of that amount, approximately \$125,000 is needed to initiate the award of a design contract for phases 1 through 3 of a standard 6 phase design contract. Phases 1 through 3 are the schematic, design development and construction document design phases. Phases 4 through 6 are the bidding, construction administration and post construction administration phase. Funds for phases 4 through 6 are not required until construction funds are authorized. The availability of this \$125,000 would

allow the design to begin about 3 months prior to the anticipated capital fund authorization of June 2004.

Fund Balance Item 2

COVER LEGISLATIVE ACTION/IFS AND FAMILIES NOW FY04 SHORTFALL (DHR)

This item provides appropriation authority for the Legislative action included in the budget bill that required the Subcabinet to use \$500,000 in fund balance to cover current operating cost. It also provides \$720,067 to cover a current shortfall associated with DHR's Intensive Family Services (IFS) and Families Now programs.

Fund Balance Item 3

PILOT PROJECT FOR CHILDREN WITH A VOLUNTARY PLACEMENT AGREEMENT

Background: In response to the passage of SB 458 last legislative session, the "Council on Parental Relinquishment of Custody to Obtain Health Care" recommended that funding be provided to the Department of Human Resources if the availability of Voluntary Placement Agreements (VPAs) resulted in more children going into placement.

SB 458 requires local Departments of Social Services to offer voluntary out-of-home placements to children with disabilities without taking custody of the child for a period of 180 days. A voluntary placement agreement would be allowed if the child has a developmental disability or a mental illness and the purpose of the out-of-home placement is to obtain treatment or care related to the child's disability that a parent is unable to provide. The bill also allows a child to remain in an out-of-home placement under a voluntary placement agreement for more than 180 days if the child's disability necessitates care or treatment there and a juvenile court finds that a continuation of the placement is in the best interest of the child.

Need: SB 458 has gone into effect as of October 1, 2003 and additional funding is not in place at this point to meet the needs of the children entering under a Voluntary Placement Agreement.

Proposal: 1.5 million dollars of the "stuck kid" (children at risk of custody relinquishment and other children with intensive needs, as defined in HB 1386 of the 2002 session) set aside will be available through Local Management Boards (LMBs) to serve children entering into Voluntary Placement Agreements.

Pilot sites

<u>BALTIMORE</u>	Baltimore County
<u>METROPOLITAN</u>	
<i>Western Maryland</i>	Allegany and Garrett Counties
<i>Washington metropolitan</i>	Montgomery County
<i>Eastern Shore</i>	Cecil County

Evaluation: In addition to providing needed services, this pilot will provide an opportunity to begin to identify and evaluate the number of children in this population, the kinds of services that they need, the services that are covered by existing resources and the ones that are not covered, the effectiveness of services, and other statistical data requested by the Subcabinet. In partnership with the SPT, the questions that need to be answered by this pilot will be developed and the pilot sites will be assisted in developing an evaluation protocol to ensure that the data that needs to be collected to answer these questions is collected.

Fund Balance Item 4

SCYFIS/ASSIST (DJS)

This item will provide appropriation authority for refinements and/or additions to the Subcabinet's and/or DJS's case tracking system(s) as follows:

- A. Build the MIS capacity for the State agencies to address the needs of "stuck kids" and HB1386. This is an interagency effort for which SCYFIS is well prepared to play a role. The requirements for this MIS capacity are emerging during FY 2004.
- B. Add a SCYFIS module known as Home Visiting, which will provide a first-time comprehensive documentation system for case collaboration among local agencies serving young families, and will include a case management system for Healthy Families Maryland.
- C. Make improvements to the original system, focusing on changes in business practices and improved reporting from the system.
- D. Assistance with data entry, training and support for the new system. SCYFIS is not simply a data collection system—it is a user-driven, not a data-entry driven, system which is intended to help frontline case managers do their work, while at the same time providing local and State program managers with the monitoring and accountability information they need to evaluate progress of the service programs. This marks a large transition in the history of information management in the State of Maryland. In order to assist with the start-up of each new module, it is necessary to hire staff or to enter contracts for data entry, and to provide extra assistance at the start of implementation to train and support all the new users.
- E. During the prior administration, the Children, Youth and Families MIS Workgroup focused on developing a vision and mission for MIS development that would benefit front-line staff. Two key goals emerged: having an easily accessible

resources directory; and sharing information about children and youth served among the Subcabinet agencies.

The Subcabinet Resource Directory, as already discussed, is a SCYFIS module undergoing additional development in order to become the repository of child and family service and resource listings for the State, available both to frontline case managers at the Subcabinet agencies as well as the general public.

SCYFIS is technologically capable to be the vehicle for interconnecting the client databases at each of the Subcabinet agencies. The vision for this effort would meet the information needs of Subcabinet agency frontline case managers: learning about how their clients have been served at other agencies. Often, children and families in service at one agency (DJS) have been served, or are currently being served, by another agency (DHR). Frontline staff at each agency might be able to coordinate their efforts if they have an electronic exchange of pertinent case information. The starting point for this design and development effort will involve the DJS ASSIST system and the DHR CHESSIE system (under development).

Fund Balance Item 5

ONE TIME ONLY (OBLIGATED): 2004, 2005 AND 2006

This item will provide appropriation authority for the remaining portion of the Community Partnership one-time-only obligations as contained in the Community Partnership Agreements for Baltimore City, Cecil County, Frederick County, Howard County, Queen Anne's County, Washington County and Worcester County.

Fund Balance Item 6

IMPLEMENTATION OF CUSTODY RELINQUISHMENT AND CHILDREN WITH INTENSIVE NEEDS

Provide appropriation authority to support the implementation of SB 458 (2003)-custody relinquishment and HB 1386 (2002)-children with intensive needs. The appropriation will fund activities including but not limited to supporting the development of the required local implementation plans in 24 jurisdictions, on-going training and technical assistance, consultants to assist with best practices and national models, a pilot project for a CINA court in Harford County, pilot project(s) to support development of a wrap model, pilot project(s) to support the development of a single point of entry for children and family services, and an analysis of in-state capacity to assist in targeting a group of children for return to Maryland including planning and development of the capacity for the return of the targeted group of children.

Fund Balance Item 7

IFS/FAMILIES Now FY02 (DHR)

This appropriation authority will be used to retire a fiscal year 2002 unattainable receivable that is currently on DHR's books for these programs.

Fund Balance Item 8

MSDE-HICKEY

This appropriation authority will be used for the installation of relocateable classrooms on the Hickey grounds and to hire staff in the last quarter of fiscal year 2004 to prepare the classrooms for operations beginning in July of fiscal year 2005.

ACCOUNTING ADJUSTMENTS AND ESTIMATES

Fund Balance Item 9

REVERSE FY 2002 MASOF EXPENSES (ADMINISTERED BY DHR-\$9,250,000)

This accounting adjustment will reduce fiscal year 2002 MASOF expenditures to bring the account in line with actual expenditures and attainment for that fiscal year.

Fund Balance Item 10

REVERSE FY 2003 SPECIAL FUNDS SUBCABINET

This accounting adjustment will correct an error that occurred when closing the fiscal year 2003 special fund account (fund balance).

Fund Balance Item 11

REVERSE MASOF EXPENSES FY03 (ADMINISTERED BY DHR-\$10,000,000)

This accounting adjustment will reduce fiscal year 2003 MASOF expenditures to bring the account in line with actual expenditures and attainment for that fiscal year.

Fund Balance Item 12-14

ESTIMATES

Current estimates for items for which final resolution has not yet been finalized.

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Analyst's Recommendation

DLS recommends that programs that OCYF intends to fund in fiscal 2004 and 2005 with the fund balance from fiscal 2003 be appropriated through a supplemental deficiency appropriation and supplemental appropriation. The budget committees can then make decisions about the appropriateness of each proposed expenditure in the same way they would have if the funds had been expended properly from the beginning.

Subcabinet's Response

The Subcabinet concurs.

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Analyst's Recommendation

If the supplemental budget used for this purpose is not submitted to the General Assembly before the budget committees begin their final deliberations, DLS also recommends that \$11.7 million of the fund balance be transferred to the general fund. These actions will be recommended in budget reconciliation legislation.

Subcabinet's Response

The Subcabinet has agreed to appropriate the Subcabinet Fund balance through a supplemental deficiency appropriation and supplemental appropriation, in order to allow the budget committees the opportunity to make decisions about the appropriateness of each proposed expenditure. However, if for any reason the supplemental are not filed the Subcabinet concurs that the fund balance in excess of \$1.0 million should be transferred to the general fund, but does not concur that the amount of the transfer should be \$11.7 million. The reverted amount should be \$9,087,659, which excludes \$2,589,192 to address the following items:

Cover Legislative Action (2003 session) which required the Subcabinet to fund current activities through the use of Subcabinet Fund Balance	500,000.00	
Reverse FY 2002 MASOF expenses (Administered by DHR-\$9,250,000)	367,047.00	
Reverse FY 2003 special funds Subcabinet	2,808.11	
Reverse MASOF expenses FY03 (Administered by DHR-\$10,000,000)	869,337.00	
Estimated per Montgomery County settlement of prior years under review	300,000.00	
Estimated adjustments due to reconciliation of FY 2002 700rpt to Audit	400,000.00	
Reserve for anticipated corrections to CSI earnings	150,000.00	
TOTAL		2,589,192.11

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Analyst's Recommendation

DLS recommends that the Children, Youth, and Families Resource Fund be abolished through budget reconciliation legislation. Subcabinet funds unspent at the end of the fiscal year may either be encumbered in accordance with proper accounting procedures or revert to the general fund as they are in other agencies. If funds are needed in the next year to complete a project or continue a program, OCYF and the subcabinet can submit the request through the regular budget process and the Governor and the General Assembly can determine at that point whether or not the expenditure warrants continuation.

Subcabinet's Response

In Article 49D, the General Assembly established the Resource Fund as an integral tool to support the Subcabinet's efforts to build local and State capacity in services for children, youth and families. The Resource Fund captures unspent and saved monies, which are then dedicated for priorities identified by the Subcabinet. If these funds revert to the general treasury, they will no longer be used for the statutory purposes for which they were intended.

The Subcabinet understand the legislative concern regarding compliance with the appropriation requirements of 49D. The Subcabinet is in the process of inquiring about setting up a separate Resource Fund, distinct from the Subcabinet Fund, and hopes to have that completed prior to the end of this fiscal year. Once the Resource Fund is established all unallocated and recovered funds will be deposited into the Fund (the practice of offsetting payment by recoveries will be stopped and checks will be requested instead). This will provide for a clear tracking of the available fund balance. Furthermore, no funds shall be withdrawn from the Resource Fund without the funds having been included in the Governor's allowance and appropriated as special funds.

The Subcabinet respectfully requests that the analyst's recommendation not be adopted.

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Analyst's Recommendation

DLS recommends that MSDE provide information to the budget committees describing its current plans for rate setting in preparation for fiscal 2005, especially as it relates to the moratorium on rate increases during fiscal 2004.

Subcabinet's Response

The Interagency Rates Committee (IRC) met in February 2004 to discuss potential modifications to the rate setting methodology that was initially developed in response to SB 291 (1999). The principals of the current rate methodology were reviewed in light of the original charge. The IRC is confident that the current rate setting methodology meets the charge in SB 291 to establish a systematic and equitable process for rate setting. This current rate setting process and methodology allows for a reasonable differentiation between providers in establishing rates. The methodology is reviewed with the provider community at the Annual Provider Budget Meeting.

The IRC is aware that the Budget Reconciliation and Financing Act (BRFA) of 2003 and the resulting rate freeze may cause some providers to attempt to "make up" in FY 2005 rate increases not allowed in FY 2004. The IRC developed and implemented an extensive review process for rate reconsideration requests under BRFA. During the FY 2004 rate cycle, 12 programs requested rate increases under the extreme financial hardship provision of BRFA. One program met the criteria established by the IRC to demonstrate extreme financial hardship and was approved for a rate increase under this provision.

Provider budgets for FY 2005 were received at MSDE during the week of February 17 – 20, 2004. Staff is in the process of inputting the budgets to determine the range of requested rate increases.

Another IRC meeting is scheduled for March 18, 2004 to conduct a broad review of the requested rates and determine what actions are warranted. At the March meeting the IRC will be exploring modifications to the rate setting process that may be necessary to determine any rate increases. We anticipate that all the member agencies of the IRC (DBM, DHR, DJS, DHMH, OCYF, and MSDE) will engage in a thorough examination of the requested rate increases and alternative means to maintain an equitable rate process while assuring fiscal responsibility from the State's perspective.

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Analyst's Request

MSDE's current plan to fully integrate the rate setting structure with the budget process for fiscal 2006 should be discussed.

Subcabinet's Response

There are significant challenges in adjusting the rate setting process to integrate with the State budget process. These challenges include:

- Accelerating the process to finalize rates by January 1st for a fiscal year beginning July 1 would require that the process begin before the start of the prior fiscal year (For example, the rate process would begin June 15, 2004 for rates effective for the period July 1, 2005 through June 30, 2006).

Example for rates effective July 1, 2005 through June 30, 2006

Action	Current Process	Accelerated Process
Provider Meetings/Budget Packages Disseminated	December 1, 2004	June 1, 2004
Budgets Due	February 15, 2005	August 15, 2004
Rates Set	June 15, 2005	December 15, 2004
Effective Date of Rates	July 1, 2005 – June 30, 2006	July 1, 2005 – June 30, 2006
Length of Time From Budget Due Date to End of Budget Year (June 30)	16 ½ months	22 ½ months

- Under this revised schedule, providers would have to project expenses and caseloads over an extended time frame resulting in reduced budgeting accuracy.
- Providers may inflate expense estimates to account for the increased uncertainty of expenses over a longer time period (22 1/2 months) or risk having unanticipated expenses that could lead to compromised care.
- The IRC has not been directed by the Legislature to fully integrate the rate setting process with the State budget process. The IRC is cautious about the potential inflation impact on the budget requests if providers are required to make 22 ½ month projections.